



Tax Anticipation Notes

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Description

The Tax Anticipation Notes fund finances costs related to the issuance of tax anticipation notes, which are necessary to meet the cash requirements of the City prior to receipt of property taxes. Monies are borrowed via the sale of Tax and Revenue Anticipation Notes (TRANs) on a short-term basis. Related costs are budgeted and accounted for in this program. This fund is administered by Financial Management, the Office of the City Comptroller, and Debt Management.

Tax Anticipation Notes

Department Summary

Tax Anticipation Notes				
	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 FINAL	FY 2008-2009 CHANGE
Positions	0.00	0.00	0.00	0.00
Personnel Expense	\$ -	\$ -	\$ -	\$ -
Non-Personnel Expense	\$ 2,130,000	\$ 5,109,000	\$ 3,094,061	\$ (2,014,939)
TOTAL	\$ 2,130,000	\$ 5,109,000	\$ 3,094,061	\$ (2,014,939)

Department Expenditures

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 FINAL
TAX AND REVENUE ANTICIPATION NOTES FUND			
Tax Anticipation Notes			
Tax Anticipation Notes	\$ 2,130,000	\$ 5,109,000	\$ 3,094,061
Total	\$ 2,130,000	\$ 5,109,000	\$ 3,094,061

Significant Budget Adjustments

TAX AND REVENUE ANTICIPATION NOTES FUND

Tax Anticipation Notes	Positions	Cost	Revenue
Non-Discretionary	0.00	\$ (10,920)	\$ 0
Adjustments to expense allocations that are determined outside of the Department's direct control. These adjustments are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
Adjustment to Tax and Revenue Anticipation Notes (TRANS)	0.00	\$ (2,004,019)	\$ (2,004,019)
Adjustment reflects a change in expenditures due to the decrease in the amount to be borrowed for the Fiscal Year 2009 TRANS.			

Expenditures by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 FINAL
NON-PERSONNEL			
Supplies & Services	\$ 2,130,000	\$ 5,109,000	\$ 3,094,061
SUBTOTAL NON-PERSONNEL	\$ 2,130,000	\$ 5,109,000	\$ 3,094,061
TOTAL	\$ 2,130,000	\$ 5,109,000	\$ 3,094,061

Tax Anticipation Notes

Revenue and Expense Statement (Non-General Fund)

TAX AND REVENUE ANTICIPATION NOTES FUND 65013

	FY 2007* BUDGET	FY 2008* BUDGET	FY 2009 FINAL ⁽¹⁾
BEGINNING BALANCE AND RESERVE			
Prior Year Continuing Appropriations	\$ -	\$ 1,501,716	\$ -
Reserve for Encumbrances	\$ 17,500	\$ -	\$ -
TOTAL BALANCE	\$ 17,500	\$ 1,501,716	\$ -
REVENUE			
General Fund Transfer Interest Earnings	\$ -	\$ 2,449,000	\$ 2,269,981
TRAN Interest Earnings	\$ 2,137,500	\$ 2,660,000	\$ 835,000 ⁽²⁾
TOTAL REVENUE	\$ 2,137,500	\$ 5,109,000	\$ 3,104,981
TOTAL BALANCE AND REVENUE	\$ 2,155,000	\$ 6,610,716	\$ 3,104,981
OPERATING EXPENSE			
Cost of Issuance	\$ 130,000	\$ 105,000	\$ 115,000
TRAN Debt Service Interest	\$ 2,000,000	\$ 5,004,000	\$ 2,979,061 ⁽³⁾
TOTAL OPERATING EXPENSE	\$ 2,130,000	\$ 5,109,000	\$ 3,094,061
TOTAL EXPENSE	\$ 2,130,000	\$ 5,109,000	\$ 3,094,061
BALANCE	\$ 25,000	\$ 1,501,716	\$ 10,920
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 2,155,000	\$ 6,610,716	\$ 3,104,981

* At the time of publication audited financial statements for Fiscal Year 2007 were not available. Therefore, the Fiscal Years 2007 and 2008 columns reflect final budget amounts from the Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

(1) The Fiscal Year 2009 Tax and Revenue Anticipation Note ("TRAN") issuance was authorized by the City Council on June 9, 2008, via Resolution 303798, in an amount not to exceed \$147 million. Based on final projected cash flows, the Fiscal Year 2009 TRAN borrowing was \$135 million.

(2) Projected interest earnings on set-asides for the repayment of the Fiscal Year 2008 TRAN, which matures on August 1, 2008.

(3) Consists of interest expense on the Fiscal Year 2008 TRAN in an amount of \$389,981 and the projected interest expense on the Fiscal Year 2009 TRAN in an amount of \$2.5 million.